





Joint Budget Work Session - Superintendent's Proposed Budget

Fiscal Year 2027

March 24, 2026

Sustaining Our Investment in Students, Staff and Schools

Recognizing Unmet Funding Needs

FY 2027 School Board Budget Direction

The budget should:

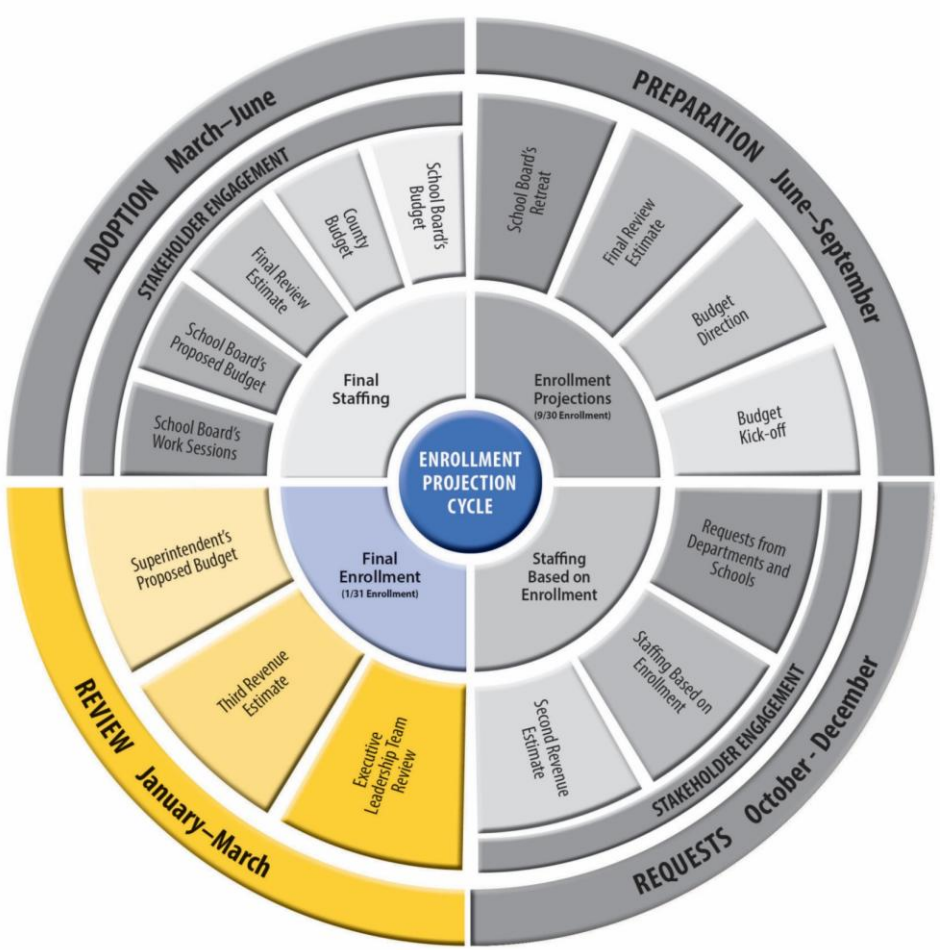
- **Align to the 2024-2030 Strategic Plan** performance objectives and strategies.
- **Prioritize recruiting, supporting, and retaining a high-quality and diverse workforce**, with a focus on competitive salaries and benefits in comparison with similar roles in the region.
- **Limit new funding requests to items specifically delineated to advance the performance objectives**, including changes to planning factors that address the urgency of improving educational outcomes for students with disabilities, English learners, and economically disadvantaged students
- **Identify opportunities for cost savings** via equity-based reductions, efficiencies, and realignment of funds whenever possible, rather than across-the-board percentage cuts.

The School Board further directs the Superintendent to:

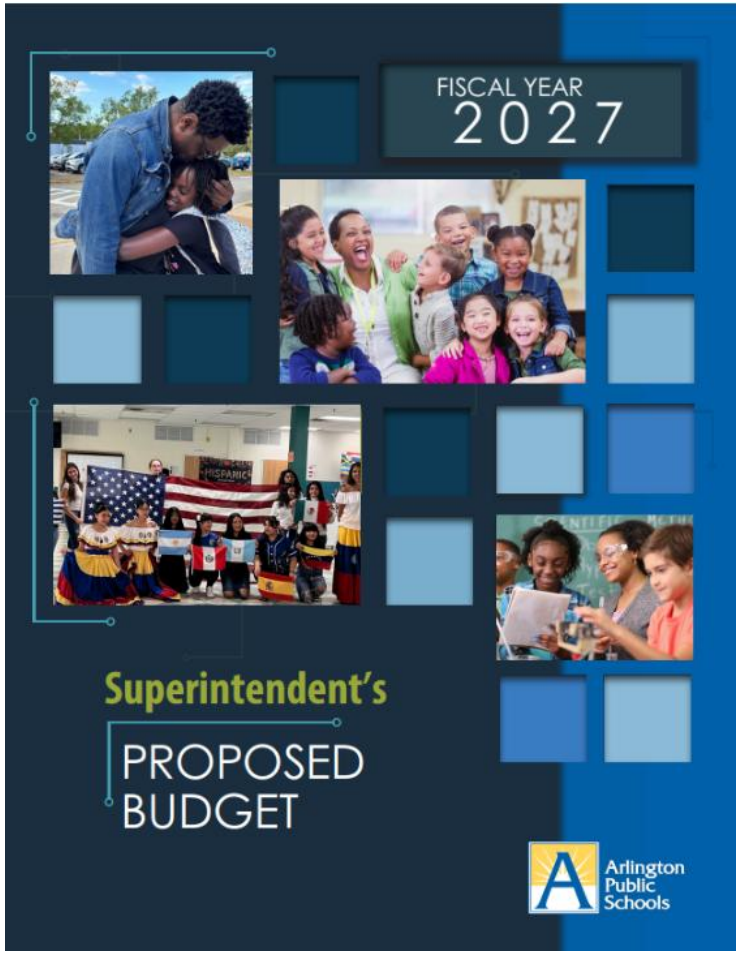
- **Provide detailed rationale for any budget investments, including anticipated outcomes**; alignment of outcomes with strategic performance objectives; how the outcomes will be measured and on what timeline.
- **Provide detailed rationale for any budget reductions**, including anticipated impact on students, staff, and/or schools; and how the reductions may inhibit progress on strategic performance objectives.
- **Minimize the use of general reserve funds for operating expenses,** consistent with the principle that one-time funds should be used only for one-time costs. For FY27, no more than 15% of the reserve funds used in the budget will go toward ongoing operating expenses, with the exception that the Compensation Reserve Funds may be used for compensation purposes.
- **Provide three-year forecasts of revenues and expenditures to gauge long-term financial sustainability.**

How We Built the Budget

- Compensation increase funded first
- Focus on funding for the School Board's Priorities
  - New budget requests limited to maintaining existing programs and services
  - Efficiencies in baseline budgets and increases aligned with the School Board's Priorities
- Limiting use of reserves in agreement with budget direction



FY 2027 Superintendent's Proposed Budget



Total FY 2027 budget

$855.69 million

Budget increases

1.3% over FY 2026

Federal Reserve estimates 2.4%-2.8% inflation by the end of 2026

Budget Highlights

Compensation, Baseline Adjustments, & Reductions/Efficiencies by Strategic Goal

Arlington Public Schools 2024-30 Strategic Plan



PERFORMANCE OBJECTIVES

Student Academic Growth and Success

- SOL Proficiency
- Growth in Reading and Math
- Inclusion
- College, Career, and Civic Readiness

Student Well-Being

- School Climate and Mental Health
- Chronic Absenteeism
- Suspensions
- LGBTQ+
- Student Safety

Student-Centered Workforce

- Professional Learning
- Workplace Climate and Staff Engagement
- Employee Retention and Diversity
- Staff Safety

Operational Excellence

- Facility Conditions
- Free Meals
- On-Time Bus Arrival
- Technology Systems
- Environmental Sustainability

Student, Family, and Community Partnerships

- Student Partnerships
- Family Partnerships
- Community Partnerships

Collective Bargaining Unit Agreements



Student-Centered Workforce

- Professional Learning
- Workplace Climate and Staff Engagement
- Employee Retention and Diversity
- Staff Safety

- The Cost of Compensation by Bargaining Unit
  - All Bargaining Units include a Step Increase
  - See below summary of COLA and Step Increase agreement:

AEA Licensed

- COLA: 2.8%
- $18.27M increase to salary and benefits

AEA Support*

- COLA: 2.8%
- $5.39M increase to salary and benefits

ASA Unit

- COLA: 1.5%
- 3% Between Steps
- $0.79M increase to salary and benefits

Confidential

- COLA: 2.8%
- $0.39M increase to salary and benefits

Hourly Salaries: Increased by 2.8% $1.26M

Total Salary and Benefit Increases Including Step Increase and COLA = $26.1 Million

*AEA Support tentative agreement

Compensation History



Student-Centered Workforce

- Professional Learning
- Workplace Climate and Staff Engagement
- Employee Retention and Diversity
- Staff Safety

In the last 5 years, average employee compensation has **increased by 26.96%.** APS must invest annually towards the goal of APS being in the **top three** among neighboring jurisdictions.

Fiscal Year	Step Increase	COLA	Other Changes	Average Increase for All Staff
2026-27	Yes	Variable by BU	Additional changes based on negotiations with Bargaining Units	4.45%
2025-26	Yes	2%	$1,000 bonus on June 1, 2025	4.26%
2024-25	Yes	1.25%	None	3.25%
2023-24	Yes	3%	Additional 2% COLA effective January 1, 2024	6.30%
2022-23	Yes	0%	Up to $500 bonus (November 2022) New salary scales implemented One to four additional steps depending on steps missed over 10 years	8.70%
2021-22	Yes, mid-year	0%	Up to $2,000 bonus (December 2021, April 2022)	3.20%
2020-21	No	0%	None	0.00%
2019-20	Yes	0%	Salary scale adjustments for positions identified in the compensation study as being under market	2.60%
2018-19	Yes	0%	Salary scale adjustments for positions identified in the compensation study as being under market	2.60%
2017-18	Yes	0%	Salary scale adjustments for positions identified in the compensation study as being under market	2.90%
2016-17	Yes	0%	1.75% increase for eligible employees Increase in minimum wage to $14.40/hour for eligible employees with regularly scheduled work hours	2.90%

- **VA State minimum wage = $12.77**
- **APS minimum wage = $17.14**

How We Balanced The Budget

ADDITIONAL REVENUE

• Additional Federal Revenue	($159,939)
• Additional State Revenue	$2,570,824
• Additional County Transfer	$2,918,225
• Additional Local Revenue	$2,089,166
TOTAL:	**$7,418,276**

NEW BUDGET ITEMS

• Compensation	$26,117,667
• Health Insurance Increase	$6,306,113
• Baseline Adjustments*	$1,848,075
• Grace Hopper Center	$1,179,033
• Other Funds	($1,063,788)
• SPED Planning Factors	$892,644
TOTAL:	**$35,279,744**

REDUCTIONS / ADJUSTMENTS

• Central Office Reductions	($2,383,864)
• Enrollment Reductions	($3,001,000)
• Prior Year One Time Costs	($3,825,159)
• VRS and Lapse & Turnover	($15,009,072)
TOTAL:	**($24,219,095)**

Additional Revenue	$7,418,276
Additional Use of Reserves	$3,642,373
Reductions / Adjustments	$24,219,095
Available Resources	**$35,279,744**
New Budget Items	($35,279,744)

BALANCED BUDGET

*Includes County Rental Book Credit of ($2,458,000)

Central Office Reductions FY 2025-27

FY 25

$17.5M Total Central Office Operating Fund Expenditure Reductions (21.0 FTEs)

FY 26

$13.38M Total Central Office Operating Fund Expenditure Reductions (28.5 FTEs)

FY 27

$2.38M Total Central Office Operating Fund Expenditure Reductions (17.0 FTEs)

$33.2M & 66.5 FTEs Total Reductions to Central Office since FY 2025

Other Reductions Since FY 2025

- Central office reductions is the main driver of recent years' cost savings, but other strides have been made in planning factor optimization, enrollment and others.

FY 25

$2.21 Million
20.40 FTE

Adjust teacher planning factors for Arts, Music and Physical Education teachers

FY 26

$7.63 Million
66.25 FTE

Exemplary projects, ITC from 12 to 11 months, capping A/P tests at 3 and optimization of student/teacher ratios per Baker Tilly recommendation

FY 27

$3.0 Million
28.4 FTE

Reductions associated to Planning Factors and decrease enrollment

Unfunded Needs

FY 27 Core Unfunded Needs

Total Core Unfunded Needs = **$18.81M+ and 140.80+ FTE**

Student Academic Growth and Success

- Support for Federally Identified Schools for Improvement **$2.83M / 21.00 FTE**
- Additional Funds for Core Supplemental Instructional Materials for Students with Disabilities **TBD**
- Inflation-based Adjustment to Instructional Materials and Supplemental Supplies for Teachers **$0.60M**
- Expand Continuum of Services for Special Education Students **TBD / TBD**
- Reduce Class Size by 2 **$8.70M / 83.10 FTE**

Student Well-Being

- Provide Deans at Remaining Secondary Schools **$0.71M / 6.00 FTE**
- Remove Barriers for Students to Attend or Participate in School-Sponsored Programs **TBD**
- Additional School Safety Coordinator – BCBA **$0.09M / 1.00 FTE**
- Expand Deans at High School Level **$0.36M / 3.00 FTE**

Operational Excellence

- Reconstruct Custodial Planning Factors **$1.60M / 22.00 FTE**

- FY 2027 New Budget Requests **$0.63M / 3.70 FTE**
- Reserve Funding for Federal Losses **$3.00M**

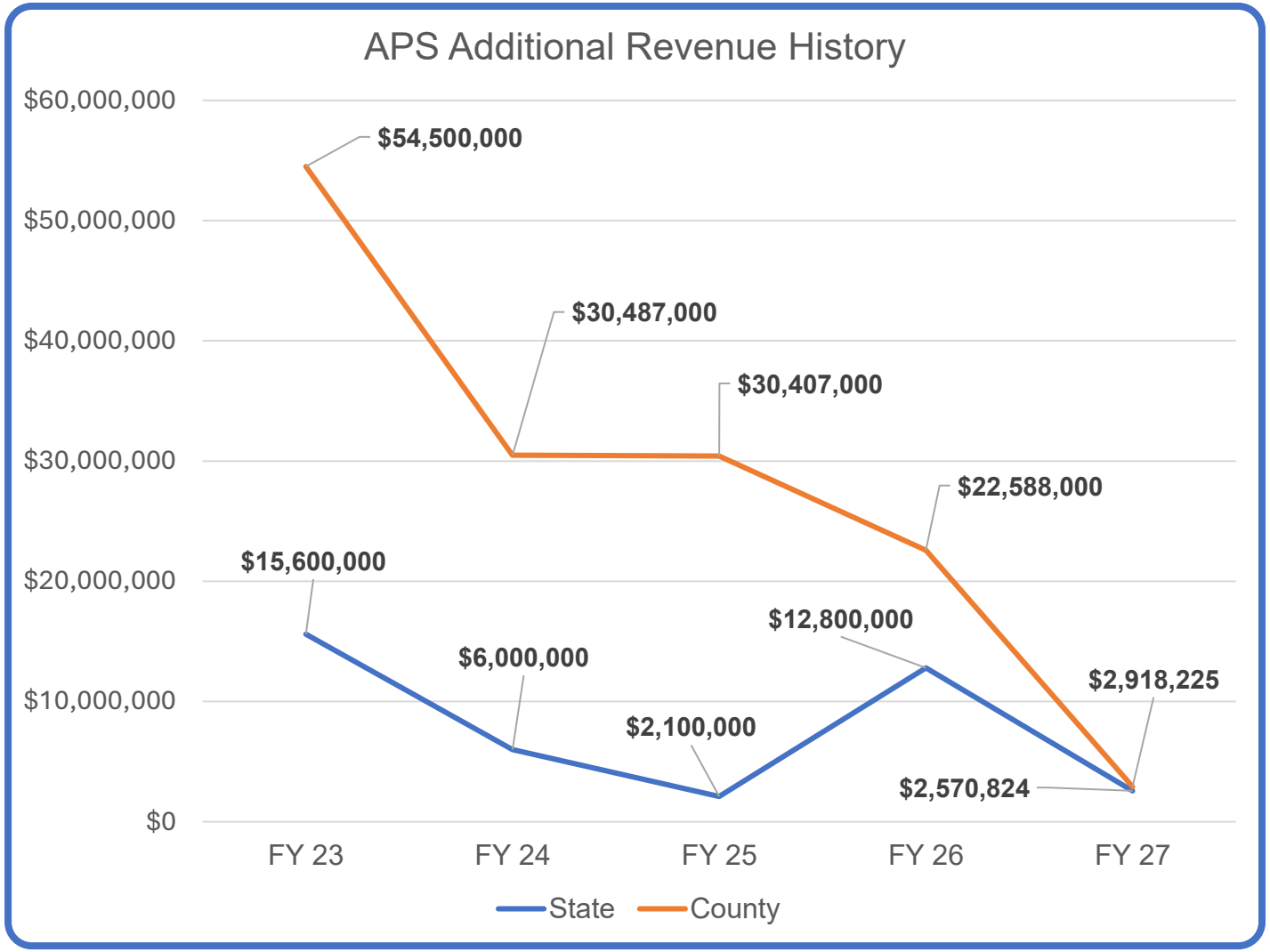


FY 2027 Budget by the Numbers

FY 2027 Budget Challenges

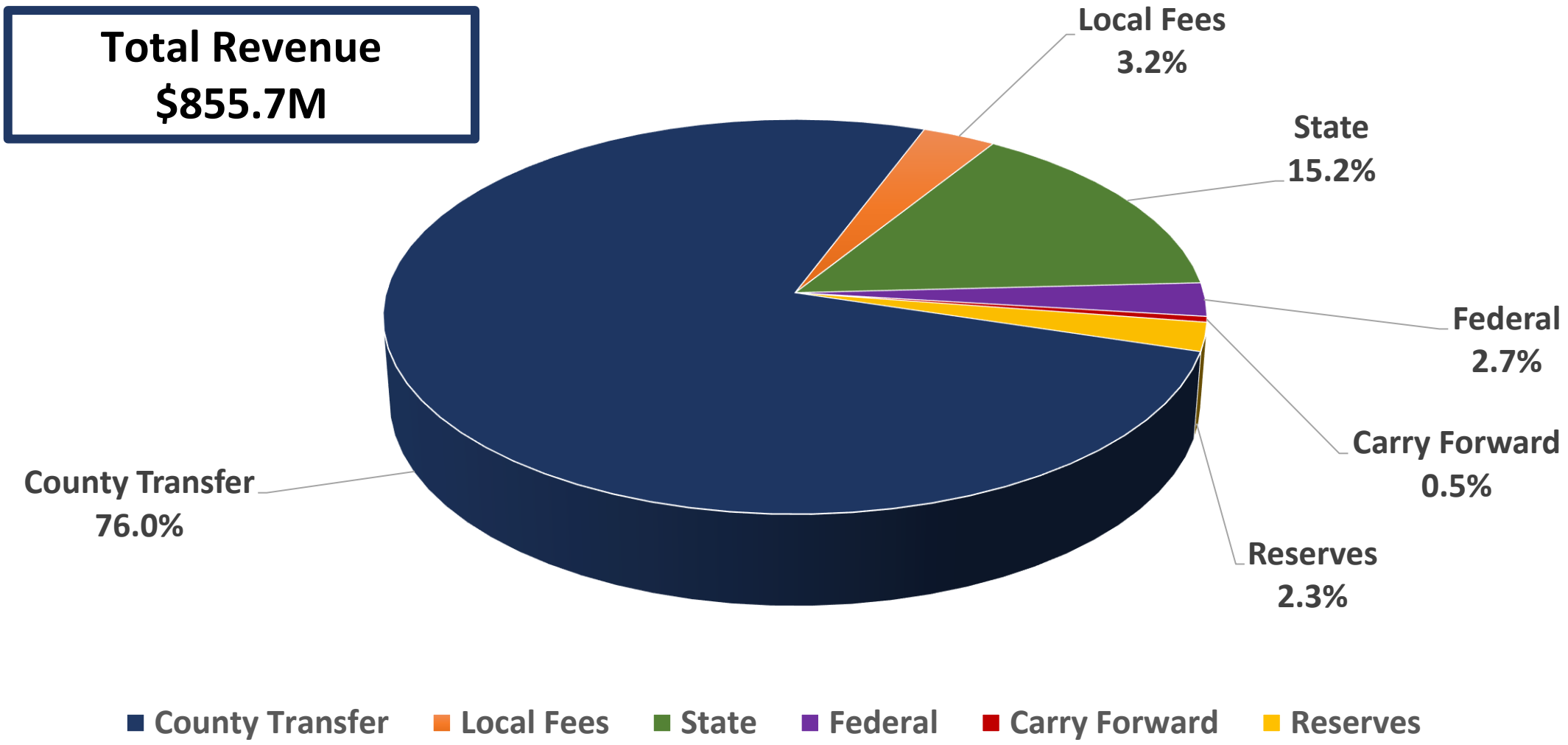
Year Over Year Additional Revenues

- State, and County revenue continue to decline
- State: 78.1% decrease from prior year
- County: 87.2% decrease from prior year



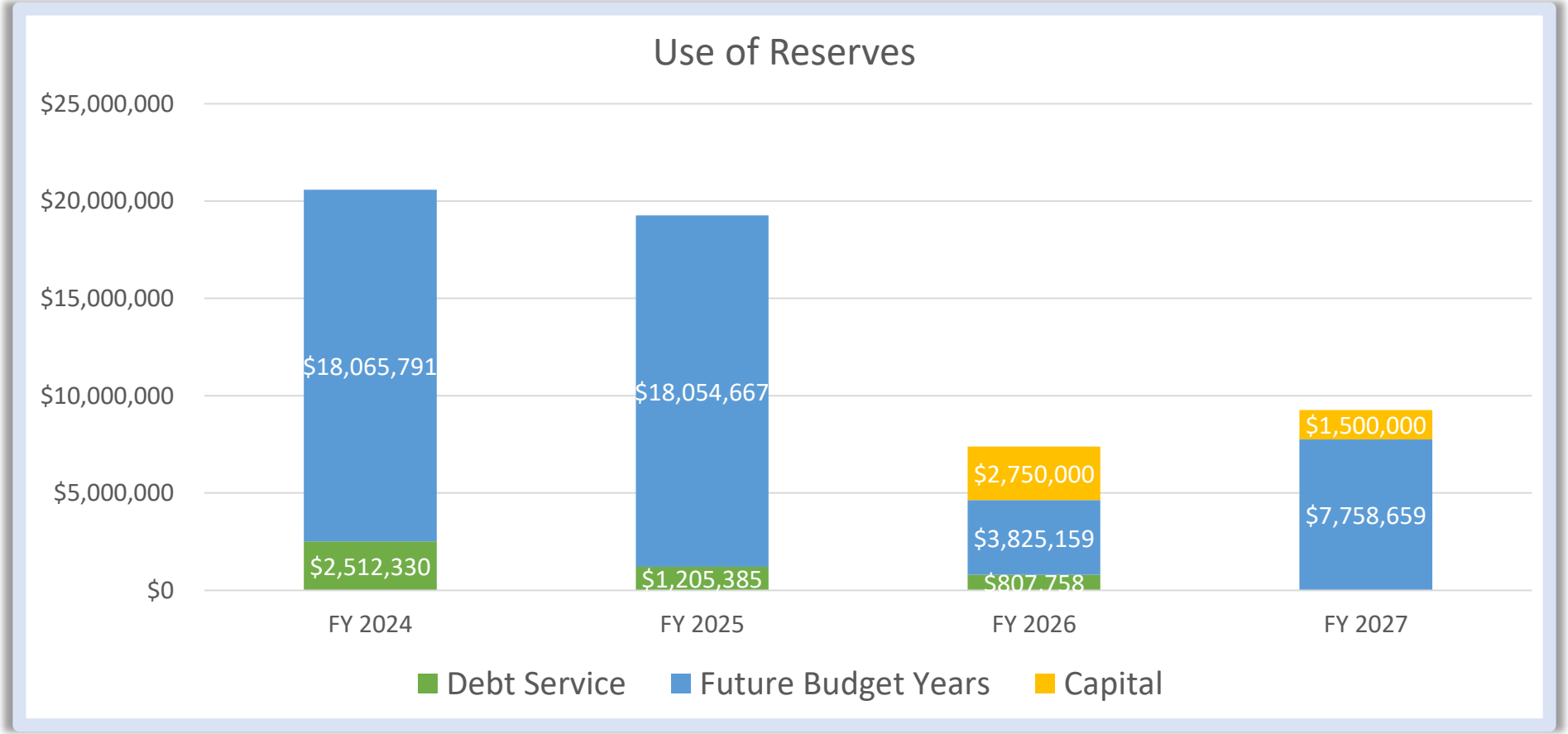
FY 2027 Total Revenue Summary – All Funds

Total Revenue
$855.7M



Use of Reserves

- The use of reserves in the FY 2027 Proposed Budget is in line with the School Board's Budget Direction



FY 2027 Projected Federal Government Revenue

FY 2027 Projections - Federal Funding	
School Operating Fund	
Federal - Medicaid - Medical Assistance	*$2.5M*
Food & Nutrition Services	
Federal - Including School Breakfast Program, Natl School Lunch Program & USDA Govt Donated Commodities	*$8.72M*
Grants and Restricted Programs	
Federal - Including Special Education IDEA, Title I Part A, Title II Part A, Title III Part A - Limited English, Title IV Part A - Student Support, and others	*$12.21M*
Total Federal	**23.43M**

FY 2026 Baseline - Federal Funding

Budget Timeline

For more: www.apsva.us/budget/

January 14	General Assembly Session Begins
February 26	Superintendent Proposed FY 2027 Budget Presentation
March 14	General Assembly Session Adjourns
March 24	Joint Budget Work Session with County Board 1:30pm Committee of the Whole on the Budget 5:30-7:30pm
March 26	School Board's Proposed FY 2027 Budget Presentation
April 13	Governor's Veto/Amendment Deadline
April 14	Budget Work Sessions 9:00am-4:15pm Public Hearing on the Proposed FY 2027 Budget 7:00pm
April 23	General Assembly Special Session on the Budget
May 14	School Board FY 2027 Budget Adoption
May 25	Deadline for Governor to Sign Legislation/Budget & Issue Line-Item Vetoes
July 1	FY 2027 Budget Effective Date

APS Fiscal Environment

APS Fiscal Environment

- State Funding Update
- Local Composite Index and County Funding in the Region
- Cost Per Pupil

State Funding Update

Governor Youngkin's Budget	**$2,570,824**	**$2,570,824**
	House	***Senate***
Projected Additional State Funding	$2,948,546*	$2,692,437*
Total	**$5,519,370**	**$5,263,261**

- A Joint Subcommittee on Elementary and Secondary Education Funding has been established to review the JLARC Report entitled "Virginia's K-12 Funding Formula" (released July 10, 2023)
- We don't anticipate any major effort to change the current funding formula until the next biennium at the earliest (FY28-FY30)

*None of this funding is in the FY2027 Superintendent's Proposed Budget
JLARC Report on education funding can be located at: JLARC | Pandemic Impact on K-12 Public Education

Local Composite Index Review

School Division	2024-2026 Composite Index	2026-2028 Composite Index	% of FY 2026 Budget Coming from County
Arlington	80%	80%	76%
Alexandria	80%	80%	79%
Falls Church	80%	80%	81%
Fairfax	66%	64%	71%
Loudoun	55%	57%	72%
Prince William	36%	38%	50%

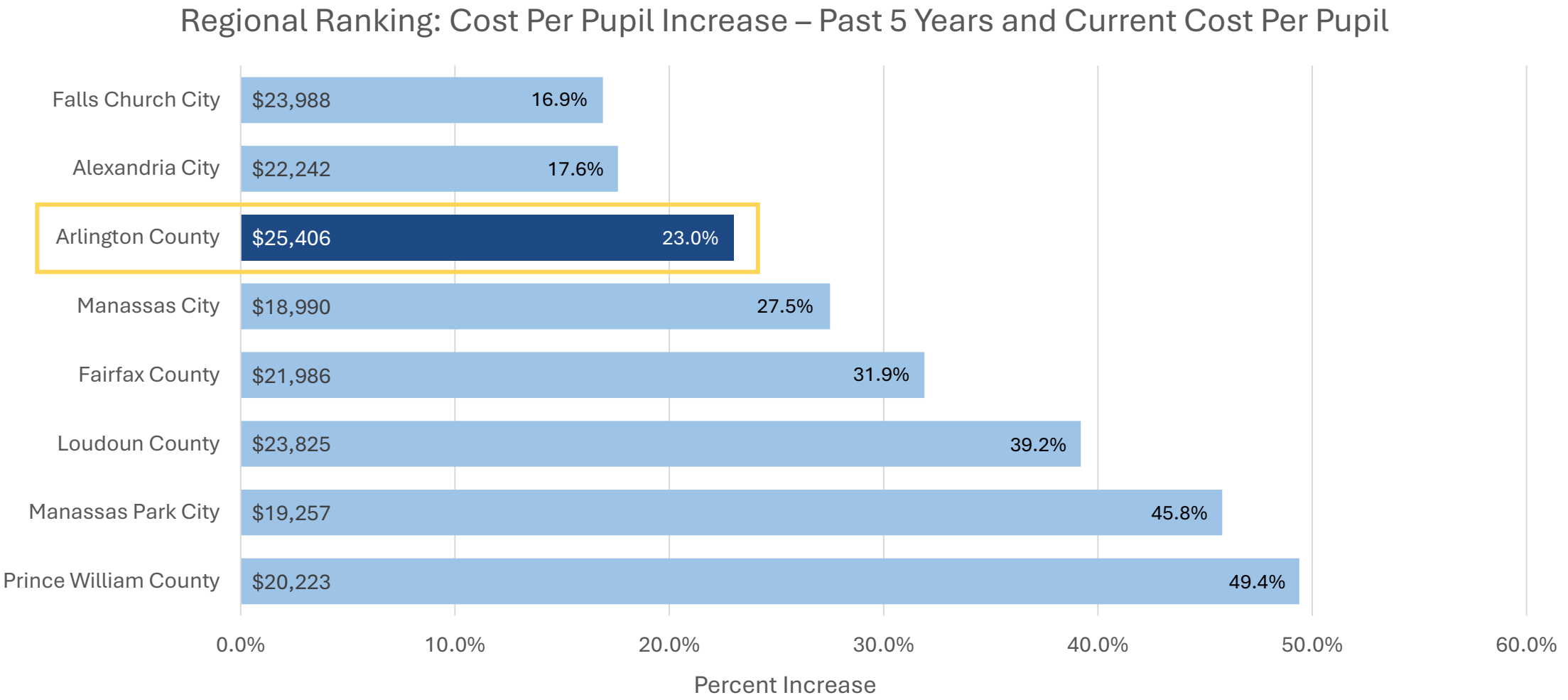
Source: Composite Index of Local Ability-to-Pay | Virginia Department of Education

Arlington County & APS Budget Increase YOY

	Arlington County	APS
FY 2027	-0.1%	1.3%
FY 2026	2.3%	2.2%
FY 2025	6.4%	1.7%
FY 2024	3.5%	7.3%
FY 2023	7.6%	6.9%
Total	**19.7%**	**19.4%**

YOY = Year Over Year

Cost Per Pupil Growth – Past 5 Years

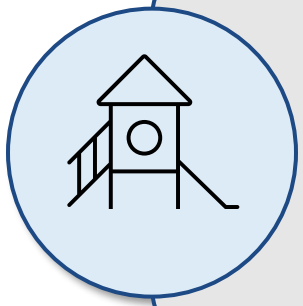


Average Class Size – Past 5 Years

School Divisions	FY22	FY23	FY24	FY25	FY26	5-Year Average
Alexandria City						
Elementary	16.4	15.3	15.7	16.1	16.4	15.98
Middle	22.8	22.8	20.8	22	22.9	22.26
High	25.6	25.6	25.7	26.7	26.6	26.04
Arlington County						
Elementary	22.9	21.7	21.4	21.3	21.4	21.74
Middle	22.8	19.1	19.2	18.9	19.3	19.86
High	20.4	19.6	19.7	19.7	19	19.68
Fairfax County						
Elementary	21.2	21.3	21.1	21	21.5	21.22
Middle	24.8	24.7	24.7	24.4	25.3	24.78
High	25.7	25.6	25.3	25.1	25.8	25.5
Falls Church City						
Elementary	20.5	20.4	21.4	20.3	17.6	20.04
Middle	22.1	20.3	21.4	23.7	21.5	21.8
High	24.4	22.9	23.7	23.5	21.9	23.28
Loudoun County						
Elementary	21.3	21.6	21.4	21.6	21.3	21.44
Middle	22.1	21.7	21.6	21.6	21.7	21.74
High	24.2	24.1	24.1	24.1	24	24.1
Prince William County						
Elementary	N/R	20.5	20.3	21.5	21.1	20.85
Middle	N/R	29.7	25.5	30.4	29.8	28.85
High	N/R	32.9	26.8	35.4	33.6	32.18

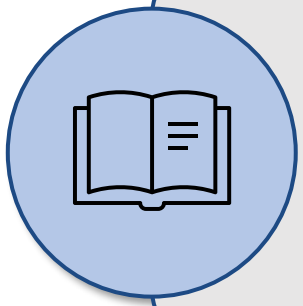
N/R = No Report

Cost Per Pupil Average Per Level



Elementary Schools

$24,678



Middle Schools

$25,325



Comprehensive High Schools

$21,121

(includes H-B Woodlawn)



Specialty Schools

$56,738*

(Cost Per Pupil ranges from $33,845 to $92,166 per pupil)

* Includes: Arlington Community High School, Grace Hopper Center, Langston Continuation High School, New Directions Alternative School, & Kennedy Shriver Program.

Joint Priorities and Programs

APS Programs Supporting Countywide Priorities

Program	Community Impact
Arlington Community High School (Adult Education)	GED completion, English language learning, workforce readiness
Teenage Parenting Program	Academic continuity and family support services
Aquatics Program	Student swimming and community recreation
Extended Day Program	Childcare for working families